

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re) Chapter 11
)
 NELLSON NUTRACEUTICAL, INC.,¹) Case No. 06-10072 (CSS)
) (Jointly Administered)
)
 Debtors.) Related Docket Nos. 545 and 549

**APPELLEE'S DESIGNATION OF ADDITIONAL
ITEMS FOR INCLUSION IN RECORD ON APPEAL**

The above-captioned debtors and debtors in possession (the "Debtors"), the appellees herein, filed this *Appellee's Designation of Additional Items for Inclusion in Record on Appeal* (the "Additional Designations") pursuant to Federal Rule of Bankruptcy Procedure 8006. The Additional Designations relates to (a) *The United States Trustee's Designation of Items to be Included in the Record on Appeal and Statement of the Issue to be Presented (Related to Docket Entry #482)* (Docket No. 454); and (b) *The Official Committee of Unsecured Creditors' (i) Designation of Items to be Included in the Record on Appeal and (ii) Statement of Issue to be Presented on Appeal Pursuant to Fed.R.Bankr.P. 8006 and Local Bankruptcy Rule 8006-1* (Docket No. 549).

Pursuant to Fed.R.Bankr.P. 8006 and Del.Bankr.LR 8006-1, one copy of each item of the record designated herein by the Debtors to be included in the record will be provided

¹ The Debtors and the last four digits of each of the Debtors' federal tax identification numbers are as follows: (a) Nellson Nutraceutical, Inc., a Delaware corporation, Fed. Tax Id. #5044; (b) Nellson Holdings, Inc., a Delaware corporation, Fed. Tax Id. #0642; (c) Nellson Intermediate Holdings, Inc., a Delaware corporation, Fed. Tax Id. #0653; (d) Nellson Northern Operating, Inc., a Delaware corporation, Fed. Tax Id. #7694; (e) Nellson Nutraceutical Eastern Division, Inc., a Delaware corporation, Fed. Tax Id. #8503; (f) Nellson Nutraceutical Powder Division, Inc., a Delaware corporation, Fed. Tax Id. #3670; and (g) Vitex Foods, Inc., a California corporation, Fed. Tax Id. #9218.

to the Clerk of the Bankruptcy Court within thirty (30) days of the filing of this designation.

Designation of Items to be Included in the Record on Appeal

The Debtors' designation of items (including any exhibits thereto) to be included in the record on appeal is as follows:

	<u>Date</u>	<u>Description</u>
1.	1/28/06	Motion to Approve Use of Cash Collateral, Providing Adequate Protection Therefor and Scheduling a Final Hearing Thereon (Docket No. 9)
2.	1/31/06	[Interim] Order Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code Authorizing the Use of Cash Collateral in Which Wells Fargo Asserts an Interest and Granting Adequate Protection to Wells Fargo (Docket No. 33)
3.	1/31/06	[Interim] Order Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code Authorizing the Use of Cash Collateral and Granting Adequate Protection to UBS, AG (Docket No. 34)
4.	2/22/06	Order Under 11 U.S.C. §327(a) and 11 U.S.C. §328(a) and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure Authorizing the Employment and Retention of XRoads Solutions Group, LLC as Financial Advisor to the Debtors (Docket No. 116)
5.	2/22/06	Second Interim Order Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code Authorizing the Use of Cash Collateral and Granting Adequate Protection to UBS, AG (Docket No. 120)
6.	3/21/06	Final Order Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code Authorizing the Use of Cash Collateral and Granting Adequate Protection to UBS, AG (Docket No. 207)
7.	3/21/06	[Final] Order Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code Authorizing the Use of Cash Collateral in Which Wells Fargo Asserts an Interest and Granting Adequate Protection to Wells Fargo (Docket No. 208)
8.	5/2/06	Amended Notice of Motion of the Debtors for Entry of an Order Authorizing and Approving Payments Under Management Incentive Plan (Docket No. 349)

	<u>Date</u>	<u>Description</u>
9.	6/9/06	Motion to Approve Stipulation Between the Debtors and UBS Concerning Modification of Cash Management Systems Subject to Final Order Pursuant to Sections 105, 361, 362, and 363 of the Bankruptcy Code Authorizing the Use of Cash Collateral and Granting Adequate Protection to UBS (Docket No. 419)
10.	6/12/06	Motion of the Debtors for Order Approving Amendment to Final Cash Collateral Order with UBS, AG Concerning Additional Adequate Protection to Ad Hoc Committee of First Lien Holders Filed by Nellson Nutraceutical, Inc.(Docket No. 420)
11.	6/21/06	Response to and Reservation of Rights by UBS AG, Stamford Branch, With Respect to Debtors' Motion for Order Approving Amendment to Final Cash Collateral Order With UBS, AG Concerning Additional Adequate Protection to Ad Hoc Committee of First Lien Holders (Docket No. 431)
12.	6/22/06	Certificate of No Objection Regarding Motion to Approve Stipulation Between the Debtors and UBS Concerning Modification of Cash Management Systems Subject to Final Order Pursuant to Sections 105, 361, 362, and 363 of the Bankruptcy Code Authorizing the Use of Cash Collateral and Granting Adequate Protection to UBS (Docket No. 442)
13.	6/23/06	Order Approving Stipulation Between the Debtors and UBS Concerning Modification of Cash Management Systems Subject to Final Order Authorizing the Use of Cash Collateral and Granting Adequate Protection to UBS (Docket No. 443)
14.	6/26/06	Certification of Counsel in Support of Order Approving Amendment to Final Cash Collateral Order with UBS, AG Concerning Additional Adequate Protection to Ad Hoc Committee of First Lien Holders (Docket No. 445)
15.	6/27/06	Order Approving Amendment to Final Cash Collateral Order with UBS, AG Concerning Additional Adequate Protection to Ad Hoc Committee of First Lien Holders (Docket No. 450)
16.	7/5/06	CEO Compensation Analysis (Debtors' Trial Exhibit 1)
17.	7/5/06	CFO Compensation Analysis (Debtors' Trial Exhibit 2)
18.	7/5/06	Vice President of Operations Compensation Analysis (Debtors' Trial Exhibit 3)

	<u>Date</u>	<u>Description</u>
19.	7/5/06	Vice President Compensation Analysis (Average of 6 Executives) (Debtors' Trial Exhibit 4)
20.	7/5/06	Comparison of Compensation to Maximum Reasonable Compensation (Debtors' Trial Exhibit 5)
21.	7/5/06	Summary of MIP Economics (Debtors' Trial Exhibit 6)
22.	7/5/06	Summary of 2006 and 2005 Bonus Program Economics (Debtors' Trial Exhibit 7)
23.	7/5/06	Summary of 2006 Bonus Program Plus MIP Economics (Debtors' Trial Exhibit 8)
24.	7/5/06	Market Comparison of Total Cash Compensation without MIP (Debtors' Trial Exhibit 9)
25.	7/5/06	Market Comparison of Total Cash Compensation (Debtors' Trial Exhibit 10)
26.	7/5/06	Compensation Analysis – Data Output (Debtors' Trial Exhibit 11)
27.	N/A	Retooling of the Management Team (Debtors' Trial Exhibit 12)
28.	6/26/06	The ERI Job Descriptions Selected by XRoads are Proper and Appropriate for the Below MIP Participants (Debtors' Trial Exhibit 13)
29.	7/5/06	ERI Methodology (Debtors' Trial Exhibit 14)
30.	3/16/06	Nellson Nutraceutical, Inc. 2006 Bonus Program (Debtors' Trial Exhibit 15)
31.	4/06	Management Incentive Plan (Debtors' Trial Exhibit 17)

[signature page to follow]

Dated: August 14, 2006

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